

Press Statement for Immediate Release

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Contact: Steven Farber (505) 988-9725

SFarberLawOffice@aol.com

Former NMFA CEO Files IPRA Lawsuit Martinez Administration Refuses to provide NMFA Audit Records

Santa Fe --- Today, Richard E. May, former CEO of the New Mexico Finance Authority (NMFA) filed a lawsuit in the First Judicial District Court in Santa Fe against Governor Susana Martinez and Department of Finance and Administration (DFA) Cabinet Secretary Tom Clifford for their failure to comply with the New Mexico Inspection of Public Records Act (IPRA). The lawsuit demands that public documents requested in an April 10, 2013 IPRA request be provided immediately.

The requested public records and documents are related to the Governor's office and DFA's actions and communications before and after senior management of NMFA first discovered the fake Fiscal Year 2011 audit. "After waiting 174 days for any response from the Governor and DFA, we have received nothing but excuses," said Steven Farber legal counsel for Mr. May.

"For the Administration that claims to be the most transparent in New Mexico history, the lack of transparency is outrageous. Not one email, text message, memo, document, or even a piece of paper has been made available for public inspection," added Mr. Farber.

Filing this lawsuit is simply following the established legal process to gain access to these public documents that the Martinez Administration has refused to provide. "The unwillingness of the Martinez Administration to provide public records after legitimate IPRA requests raises the question of what is being intentionally hidden from the public," said Mr. Farber.

"The facts surrounding the motivations behind how the NMFA fake audit was investigated have never been fully disclosed to my client or to the public," stated Mr. Farber. The release of these requested records and documents may answer the question as to why the Martinez Administration hijacked an independent investigation led by a former federal prosecutor, while placing State Auditor Hector Balderas (who had considerable conflicts of interest) and a biased gubernatorial appointee in charge. The gubernatorial appointee, Daniel Tanaka, for RLD Securities Division Director, has since resigned.

"The so-called Special Audit conducted by the State Auditor was not independent. It appears to be a ploy to cover-up the failings of the State Auditor's office and it

minimized the responsibility of a State Auditor approved external auditing firm and shifted the blame to others. The public has a right to know the role of the Governor's office and other Administration and governmental officials in stopping the independent investigation started by Mr. May and others at the Finance Authority," added Mr. Farber.

The external auditing firm of Clifton Gunderson LLP abandoned their professional obligations and never completed NMFA's Fiscal Year 2011 audit," said Mr. Farber. Clifton Gunderson failed to notify NMFA senior management they had stopped working on the audit and never filed it with the State Auditor's office. "If Clifton Gunderson had fulfilled its U.S. auditing responsibilities and required standards and then filed the audit, the entire fake audit matter would have been avoided," concluded Mr. Farber.